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Counsel for Sunbelt Rentals, Inc.

**IN THE UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION**

In re:

PG&E CORPORATION

-and-

**PACIFIC GAS AND ELECTRIC
COMPANY,**

Debtors

- ☐ Affects PG& E Corporation
- ☐ Affects Pacific Gas and Electric Company
- ☒ Affects both Debtors

**All papers shall be filed in the Lead Case,
No. 19-30088 (DM)*

Case No. 19-30088 (DM)
Chapter 11
(Lead Case)
(Jointly Administered)

**LIMITED CURE OBJECTION OF
SUNBELT RENTALS, INC. TO DEBTORS'
PROPOSED ASSUMPTION OF
EXECUTORY CONTRACTS AND
UNEXPIRED LEASES UNDER THE
DEBTORS' AND SHAREHOLDERS'
JOINT CHAPTER 11 PLAN OF
REORGANIZATION DATED
MARCH 16, 2020**

Sunbelt Rentals, Inc. (“Sunbelt”), by and through its undersigned counsel, files this limited objection (the “Objection”) to the proposed cure amount for the Sunbelt agreements identified in the *Schedule of Executory Contracts and Unexpired Leases to be Assumed Pursuant to the Plan and Proposed Cure Amounts* [Docket No. 7037] (the “Assumption Notice”), filed on May 1, 2020 by the above-captioned Debtors (the “Debtors”).

BACKGROUND

1. The Debtors had various pieces of equipment on rent from Sunbelt both pre- and post-petition.
2. On January 29, 2019 (the “Petition Date”), the Debtors filed the *Debtors’ and Shareholder Proponents’ Joint Chapter 11 Plan of Reorganization* [Docket No. 6320] (the “Plan”).
3. On May 1, 2020, the Debtors filed the Assumption Notice which identifies various executory contracts and unexpired leases the Debtors seek to assume pursuant to the Plan.
4. The Debtors list two Sunbelt agreements on the Assumption Notice – (i) the Rental Central Equipment, effective as of September 6, 2017 (Contract ID SRCDAL_03006), and (ii) the Contract Change Order No 1 – Freight Services Change Volume Allowance Schedule Rebate from 1/1/17 to 12/31/17, effective as of January 25, 2018 (Contract ID SRCDAL_03007).
5. As set forth in Sunbelt’s filed proofs of claim, Sunbelt is owed \$179,975.69. *See* Proof of Claim No. 100839.

LIMITED OBJECTION

6. Section 365(b)(1)(A) of the Bankruptcy Code provides, in relevant part:

(b)(1) If there has been a default in an executory contract or unexpired lease of the debtor, the trustee may not assume such contract or lease unless, at the time of assumption of such contract or lease, the trustee –

(A) cures, or provides adequate assurance that the trustee will promptly cure, such default...

11 U.S.C. §365(b)(1).

7. Although the Debtors have identified cure amounts of \$0 for Sunbelt's agreements, Sunbelt is owed \$179,975.69, specifically under the contract identified on the Assumption Notice as SRCDAL_03006.

RESERVATION OF RIGHTS

8. Sunbelt reserves all rights, including but not limited to the right to amend, supplement, or otherwise modify this Objection in any respect. For the avoidance of doubt, nothing contained in this Objection shall be deemed to constitute an admission or waiver of any of the rights, claims, causes of action, defenses, or remedies of Sunbelt and/or any of its subsidiaries and/or affiliates in connection with the Debtors' bankruptcy cases or any related proceedings.

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CONCLUSION

WHEREFORE, Sunbelt respectfully requests that the Court: (i) order that any assumption and assignment of Sunbelt's contracts be conditioned upon payment in full of all amounts owing; and (ii) grant such other and further relief as is just and proper.

Dated: May 15, 2020

ASK LLP

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